

UNITED STATES ATTORNEY DISTRICT OF SOUTH CAROLINA

1441 Main Street, Suite 500 * Columbia, SC 29201 * (803) 929-3000

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CONTACT PERSON: James Leventis (803) 929-3000 James.Leventis@usdoj.gov

South Carolina U.S. Attorney's Office Is First in the Country to Obtain A Criminal Conviction and Civil Settlements Recovering Department of Energy ARRA Funds

COLUMBIA, South Carolina ---- United States Attorney Bill Nettles announced today that the United States Attorney's Office for the District of South Carolina working with the Department of Energy Office of Inspector General has completed an investigation resulting in the first criminal conviction and the first civil settlements related to fraudulently obtained Department of Energy American Recovery and Reinvestment Act (ARRA) funds in the country.

Since 2009 the United States Attorney's Office has been working with the Department of Energy's Office of Investigations to uncover criminal and civil schemes by various contractors, which has so far resulted in five criminal convictions and the payment of over \$1.9 million. Over \$700,000 of the recovered money was ARRA funding.

The Department of Energy awarded ARRA funds to the Savannah River Site to be used to hire contractors from around the country. These contractors worked at the Savannah River Site on nuclear waste cleanup projects. Through their investigation, Department of Energy Office of Inspector General agents discovered that contractors were submitting false claims for per diem payments. Although the individual dollar amounts were small, these "small dollar" frauds were adding up to millions of dollars in losses to the Department of Energy.

"This investigation sends a clear message that dispels any belief that "small dollar" frauds against the United States may be committed with impunity," said United States Attorney Bill Nettles.

"We take all contract claims seriously. In this case, the DOE's Contracting Officer's diligence in examining and questioning an impending Recovery Act contract claim helped to identify fraud and protect the interests of the taxpayers. We are indeed pleased with the outstanding investigative work performed by the DOE IG's Office and the helpful cooperation and support of the US Attorney in recovering these project funds," said Dr. David Moody, DOE's Savannah River Operations Office Manager.

This investigation was handled by Lucy Knowles, Chief Counsel of the DOE's Savannah River Operations Office, the DOE Office of Inspector General, and by James Leventis, Fran Trapp and Dean Eichelberger of the United States Attorney's Office.